

Blackstone Alternative Investment Advisors LLC

Form ADV Part 2A

October 5, 2018

Blackstone

Blackstone Alternative Investment Advisors LLC

Item 1 – Cover Page

Blackstone Alternative Investment Advisors LLC

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October 5, 2018

Form ADV Part 2A (the “Disclosure Brochure” or “Brochure”) required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), provides information about the qualifications and business practices of Blackstone Alternative Investment Advisors LLC (“BAIA”).

If you have any questions about the contents of this Brochure, please contact Peter Rand, Head of Global Client Operations and Reporting for BAIA, at (212) 583-5071; BAAMClientService@blackstone.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about BAIA also is available at the SEC’s website www.adviserinfo.sec.gov (click on the link “Investment Adviser Search”, select “Investment Adviser Firm” and type in BAIA’s name). Results will provide you with both Parts 1A and 2A of BAIA’s Form ADV.

BAIA is registered with the SEC as an investment adviser. BAIA’s registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, serve as information for you to use to evaluate BAIA and should be considered in your decision whether to hire BAIA or to continue to maintain a relationship.

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Item 2 – Material Changes

- ▶ There is no material change incorporated herein since BAIA's last posting of this document on March 28, 2018 on the SEC's public disclosure website (IAPD) www.adviserinfo.sec.gov.
- ▶ BAIA, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).
- ▶ If you would like another copy of this Brochure, please download it from the SEC website as indicated above or contact BAIA's Head of Global Client Operations and Reporting, Peter Rand, at (212) 583-5071 or BAAMClientService@blackstone.com.

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Item 3.1 – Defined Terms

As used throughout this Brochure, the following terms have the following meanings:

1940 Act: Investment Company Act of 1940, as amended.

Additional Sub-Adviser Performance Fee: The additional amount paid by a BAIA Fund to BAIA to cover the shortfall if, as of any performance period, the sum of all Underlying Managers' performance fees exceeds the performance fee received by BAIA from the BAIA Fund.

Advisers Act: Investment Advisers Act of 1940, as amended.

Advisory Client: A client to which BAAM provides advisory services regarding the client's hedge fund portfolio, typically on a non-discretionary basis.

Arcesium: Arcesium LLC, a middle- and back-office service and technology provider, in which BAAM holds a non-controlling, minority equity interest.

BAAM: Blackstone Alternative Asset Management L.P., a registered investment adviser and an affiliate of BAIA.

BAAM Executive Committee: A committee which includes BAAM's Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and General Counsel.

BAAM Funds: A series of private investment funds and Registered Funds sponsored and managed by BAAM that predominantly engage in multi-manager investment programs. Many BAAM Funds are commonly referred to in the industry as funds of hedge funds or FoHFs.

BAIA: Blackstone Alternative Investment Advisors LLC, the registrant.

BAIA Funds: The Registered Funds and private investment funds managed by BAIA that participate in a broad range of direct investment opportunities predominantly through multi-manager sub-advisory arrangements. BAIA also manages a portion of the funds' assets directly.

BAIA Investment Committee: A committee comprised of certain senior investment professionals of the Hedge Fund Solutions Group.

BAP: Blackstone Advisory Partners L.P., a registered broker-dealer and an affiliate of BAIA, which serves as the principal underwriter and distributor of certain BAIA Funds.

BAS: Blackstone Alternative Solutions L.L.C., a registered investment adviser and an affiliate of BAIA.

BAS Funds or Strategic Opportunity Funds: A series of private investment funds and accounts managed by BAIA's affiliate, BAS, which participate in a broad range of individual investment opportunities, involving equity and debt securities and other financial instruments and transactions.

Blackstone: The Blackstone Group L.P. (NYSE: BX), which is the ultimate parent of BAIA.

Blackstone Affiliated Manager: A manager with which Blackstone currently has (or in the future may have) an ownership interest or revenue share, or is (and in the future may be) otherwise affiliated with Blackstone.

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Brokers: Brokers, dealers and other counterparties or intermediaries.

BSAA: Blackstone Strategic Alliance Advisors L.L.C., a registered investment adviser and an affiliate of BAIA.

BSAA Funds or Strategic Alliance Funds: A series of private investment funds managed by BAIA's affiliate, BSAA, which are engaged in providing "seed capital" to hedge fund managers.

BSCA: Blackstone Strategic Capital Advisors L.L.C., a registered investment adviser and an affiliate of BAIA.

BSCA Funds: A series of private investment funds managed by BAIA's affiliate, BSCA, which are engaged in acquisitions of minority interests in alternative asset managers.

Client Constituent Documents: Declaration of Trust, Memorandum and Articles of Association, Limited liability Company Agreement, Investment Management Agreement, Prospectus, Registration Statement, Offering Documents and other applicable constituent documents for a BAIA Fund.

Code: Blackstone's and BAIA's Code of Ethics mandated by the Advisers Act.

ERISA: Employee Retirement Income Security Act of 1974, as amended.

Hedge Fund Solutions Group or HFS: The division of Blackstone which includes BAAM, BSAA, BAS, BAIA, and BSCA, each a registered investment adviser.

High Water Mark: A loss carryforward provision in which there will be no performance-based fee payable to a Client until the amount of the loss previously allocated has been recouped. This may apply if a Client has a loss chargeable to it during any fiscal year, and during a subsequent fiscal year there is a profit allocable to such Client.

Investor: An investor in a BAIA Fund.

Other Blackstone Advisers: Investment advisory affiliates of BAAM within Blackstone.

Other Blackstone Clients: Entities and accounts managed by Other Blackstone Advisers.

Registered Fund: A Registered U.S. Fund or a UCITS Fund.

Registered U.S. Fund: An investment company registered under the 1940 Act, as amended, and managed by BAAM or BAIA.

Restricted Issuers: Issuers BAAM will be restricted from investing in.

Subsidiary: A private fund that is wholly owned and controlled by the Registered Funds.

UCITS Fund: An investment fund authorized pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended.

Underlying Investment Vehicles: The funds and accounts managed by the Underlying Managers through which the BAIA Funds invest.

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Underlying Managers: The investment advisers to which the BAIA Funds allocate capital either through (A) hiring such advisers to serve as a sub-adviser to a BAIA Fund or (B) investments in Underlying Investment Vehicles.

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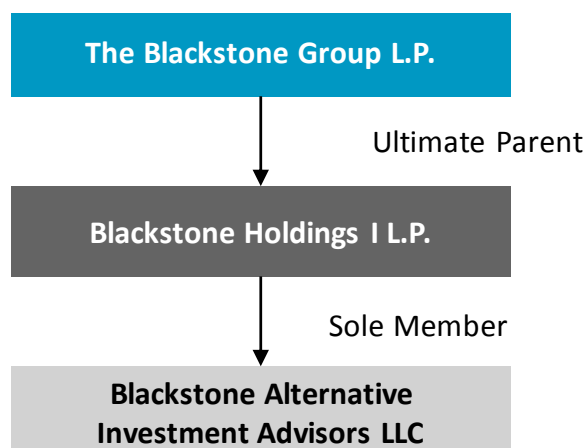
Item 4 – Advisory Business

Overview of the Firm

BAIA, a Delaware limited liability company, is an investment adviser to (i) management investment companies registered under the Investment Company Act of 1940, as amended (“1940 Act”) (collectively, the “Registered U.S. Funds”); (ii) investment companies authorized pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended (collectively, “UCITS Funds,” and together with the Registered U.S. Funds, the “Registered Funds”); and (iii) wholly owned and controlled subsidiaries of the Registered Funds (collectively, the “Subsidiaries” and together with the Registered Funds, the “BAIA Funds”).

BAIA is an affiliate of Blackstone Alternative Asset Management L.P. (“BAAM”), a leading hedge fund solutions provider which, together with its affiliates in the Blackstone Hedge Fund Solutions Group (“HFS”), manages or advises approximately \$75 billion as of December 31, 2017. Please note that this is an unaudited estimate and does not include non-discretionary advisory clients. BAIA derives significant benefits from the experience of BAAM in the investment, operational, legal, structuring and compliance aspects of hedge funds.

BAIA was founded in 2012 as part of The Blackstone Group L.P. (NYSE: BX) (“Blackstone”), which is the ultimate parent of BAIA. Blackstone is a leading alternative investment manager with investment programs and services concentrating in the private equity, real estate, and debt / credit and secondaries businesses, as well as the hedge funds solutions business. Subject to the HFS information walls, BAIA shares employees and facilities with BAAM, Blackstone Strategic Alliance Advisors L.L.C. (“BSAA”), Blackstone Alternative Solutions L.L.C. (“BAS”) and Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), each a registered investment adviser. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.



BAIA’s assets under management (“AUM”) were \$7.5 billion as of December 31, 2017. Please note that this is an unaudited estimate.

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Item 4 – Advisory Business

Overview of Advisory Services

As investment adviser to the BAIA Funds, BAIA:

- ▶ Identifies, implements and monitors investments for the BAIA Funds;
- ▶ Retains, monitors and evaluates Underlying Managers for the BAIA Funds;
- ▶ Directly manages assets and investments on behalf of the BAIA Funds; and
- ▶ Hedges market and foreign currency exposure for BAIA Funds as BAIA, in its discretion, determines to be necessary or appropriate.

BAIA is permitted to borrow money (or engage in transactions that are economically similar to borrowing money), to fund investments, to satisfy redemptions, or to obtain investment exposure to various markets or investment styles. Such borrowing includes investments in derivatives or lending its securities and using the collateral to purchase any investment that creates leverage for investment or other purposes. In addition, the allocation to Sub-Advisers, together with the assets managed directly by the Adviser, may exceed 100% of the Fund's net assets.

The strategy of the BAIA Funds generally is to participate in a broad range of instruments, markets and asset classes economically tied to U.S. and foreign markets (including emerging markets). Investments include, but are not limited to, equity securities, fixed income securities, and derivative and commodity instruments.

The equity securities in which the BAIA Funds invest include equity securities of companies of any market capitalization throughout the world (both U.S. and foreign markets (including emerging markets)), including common stocks, preferred stocks, convertible securities, depositary receipts, exchange traded funds, real estate investment trusts and partnership interests.

The fixed income securities in which the BAIA Funds invest include debt securities of governments throughout the world (both U.S. and foreign markets (including emerging markets)) as well as their agencies and/or instrumentalities, debt securities of corporations throughout the world (both U.S. and foreign markets (including emerging markets)), including inflation-indexed securities, debt securities of any duration, maturity, or credit rating (including below investment grade debt securities or debt securities, (commonly known as "junk bonds")) or debt securities that are unrated, commercial and residential mortgage-backed securities, asset-backed securities, (including those backed by consumer assets) adjustable rate securities, stripped securities (*i.e.*, securities resulting from the separation of income and principal components of debt securities), net interest margin securities (*i.e.*, securities based on the value of excess cash flows received by underlying mortgage-backed securities), bank and direct loans, loan assignments and loan participations, bankruptcy or trade claims, and event-linked instruments (including catastrophe bonds).

The derivative instruments in which the BAIA Funds invest include futures and forward contracts, such as index, interest rate, and government bond futures and mortgages to be announced securities; swaps, such as credit default swaps, total return swaps, interest rate

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swaps (including constant maturity swaps), currency swaps, swaptions, and / or contracts for difference, call and put options including writing (selling) calls against positions in the portfolio (“covered calls”) or writing (selling) puts, over-the-counter options and currency options, and warrants and rights. The BAIA Funds may invest in foreign currency futures, forwards, or exchange contracts. Any of these derivatives may be used in an effort to gain economic exposure to one or more alternative investment strategies, to enhance returns, or to hedge the BAIA Funds’ positions by managing or adjusting the risk profile of the BAIA Funds or their individual positions. In addition to derivative instruments, the BAIA Funds may also invest in repurchase agreements and purchase and sale contracts.

BAIA seeks to achieve the investment objective of the BAIA Funds by allocating assets among a variety of non-traditional or “alternative” investment strategies. A significant portion of the investments are sourced and managed by third parties (the “Underlying Managers”) that either (A) serve as discretionary or non-discretionary sub-advisers to the BAIA Funds or (B) manage a fund or account (an “Underlying Investment Vehicle”) through which the BAIA Funds invest. BAIA also manages a portion of the BAIA Funds’ assets directly and, from time to time, may instruct sub-advisers with respect to particular investments.

BAIA is responsible for: (A) mandating the BAIA Funds’ investment strategies, guidelines and restrictions; and (B) making investment decisions, including, without limitation, selecting and overseeing the investment sub-advisers in compliance with the terms of any exemptive relief under which BAIA or the BAIA Funds are operating, and determining the amount of BAIA Funds’ assets to allocate to each investment sub-adviser.

BAIA Funds typically consist of multiple investors. Investors in BAIA Funds (“Investors”) are not deemed to be BAIA clients, but are entitled to certain rights and benefits under the applicable Declaration of Trust, Memorandum and Articles of Association, Limited Liability Company Agreement, Investment Management Agreement, Registration Statement, Offering Document or other applicable constituent fund documents (the “Client Constituent Documents”).

BAIA typically engages third party service providers, such as custodians, administrators and / or auditors, on behalf of the BAIA Funds.

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Item 5 – Fees and Compensation

Asset-Based Advisory Fees

In general, BAIA charges an asset-based advisory fee of up to 1.95% of assets under management. BAIA typically compensates the Underlying Managers that serve as investment sub-advisers out of the asset-based advisory fees it receives from the BAIA Funds. This arrangement may incentivize BAIA to favor Underlying Managers that charge lower fees.

Blackstone managed funds and Blackstone employees, retired partners, and certain former employees may not be subject to such asset-based advisory fee.

BAIA's asset based advisory fees and performance based fees are not inclusive of all fees and expenses. Please see **Additional Fees and Expenses** section below.

Performance-Based Fees

Please see **Item 6 – Performance-Based Fees** for more detail.

Fee Negotiations

For the Registered U.S. Funds, fees are generally non-negotiable.

For the UCITS Funds, BAIA has waived or reduced the asset-based advisory fee and / or performance fee charged to certain investors. BAIA may do so at its sole discretion in accordance with applicable law.

Payment of Asset-Based Advisory Fees

Fees are paid to BAIA in accordance with the Client Constituent Documents. In general, asset-based advisory fees accrue on a daily basis and are paid on a quarterly basis.

Fees typically are deducted from a BAIA Fund's assets at the payment date. Investors in a BAIA Fund bear indirectly their pro rata share of asset-based fees for the time period they are invested in the BAIA Fund.

Additional Fees and Expenses:

BAIA's advisory fees are not inclusive of all the fees a BAIA Fund (and, indirectly, the Investors) will pay. The following is a list of fees and expenses that BAIA Funds typically will pay to third parties. This list is not intended to be exhaustive; the relevant Client Constituent Documents provide further detail relating to fees and expenses.

- ▶ Organizational Expenses
- ▶ Operating Expenses
- ▶ Custodial Fees
- ▶ Administrator Fees
- ▶ Transfer Agency and Sub-Transfer Agency Fees
- ▶ Legal Fees
- ▶ Registration Fees

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- ▶ Insurance Costs
- ▶ Compliance Fees
- ▶ Accounting Fees
- ▶ Audit Fees
- ▶ Director Fees
- ▶ Brokerage Costs
- ▶ Interest Charges
- ▶ Credit Facility Fees, including Interest Charges
- ▶ Financing Fees
- ▶ Dividends and Interest on Securities Sold Short
- ▶ Tax-Related Fees
- ▶ Acquired Fund Fees & Expenses, including Underlying Investment Vehicle Fees and Expenses
- ▶ Expenses Reimbursed
- ▶ Preparing, Printing and Delivering All Reports, Documents and Filings related to the Fund and its Investments
- ▶ Any Fees related to the Preparation and Delivery of Internal Control Reports
- ▶ Distribution and / or Service 12b-1 Fees
- ▶ Research Costs, including Risk Management, Investment-Related Due Diligence, Data Feeds and Consulting Charges

Investors in a BAIA Fund indirectly bear their pro rata share of such additional fees and expenses for the time period they are invested in the BAIA Fund.

BAIA employees do not receive compensation from the purchase or sale of securities or investments for BAIA Funds or for which BAIA provides advisory expertise / services. BAIA is a “fee only” investment adviser and, except as described below, BAIA does not have any potential conflicts of interest relating to any additional, undisclosed compensation from BAIA Funds or Underlying Managers.

BAAM owns a non-controlling, minority equity interest in Arcesium LLC (“Arcesium”) and the President of a BAIA Fund, who is also Chief Operating Officer of HFS and BAIA, serves on the board of Arcesium. The parent company of an Underlying Manager owns a controlling, majority interest in Arcesium. Arcesium provides certain middle- and back-office services and technology to BAIA and certain Underlying Managers. BAIA utilizes technology offered by Arcesium to provides services to the Fund and the Fund will pay the fees for the services that it receives. Arcesium may also provide services and technology to one or more Underlying Investment Vehicles, in which case the Fund may also pay indirectly (through the fees charged

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Item 5 – Fees and Compensation

to it by the Underlying Investment Vehicles, the fees for these services. The services and technology provided by Arcesium support various post-trade activities, including trade capture, cash and position reconciliations, asset servicing, margin and collateral monitoring, pricing-related services, portfolio data warehousing, related recordkeeping, and other services and technology as agreed between the applicable entity and Arcesium. BAIA may recommend Arcesium's services to the Underlying Managers and certain Underlying Managers from time to time may hire Arcesium. Neither BAAM nor BAIA will require any Underlying Managers to hire Arcesium as a condition to hiring them or investing with such Underlying Managers, nor will BAAM or BAIA favor Underlying Managers who use Arcesium over Underlying Managers who use other qualified middle- and back-office services providers when hiring Underlying Managers for the BAIA Funds.

In return for such services, Arcesium typically receives a one-time upfront implementation fee, an annual software use and service fee (partly based the relevant fund's net asset value), and a monthly financial operations services fee (also based on the relevant fund's net asset value) (such fees in the aggregate, the "Arcesium Fees"). The Arcesium Fees have been negotiated at arm's-length and BAIA believes them to be reasonable in relation to the services provided and consistent with prevailing charges from third-party providers of the same or substantially similar services. Because the Arcesium Fees are based, in part, on the net asset value of a fund, which in the case of the BAIA Funds, is generally determined by the administrator of the BAIA Funds under the supervision of BAIA, there are potential conflicts with respect to calculation of the fees.. Additional information regarding the Arcesium Fees is available from BAIA upon request.

In connection with BAAM's minority equity ownership interest in Arcesium, BAAM is expected to receive cash distributions from Arcesium from time to time. In accordance with applicable law, these cash distributions are expected to be used to reimburse BAAM for the operating expenses of Arcesium for which BAAM has previously paid. Following such expected reimbursement, cash received by BAAM from Arcesium will be applied to reimburse funds/accounts that are managed by BAAM or its affiliates (including BAIA) for the amount of Arcesium Fees paid by such entities to Arcesium. This means that the BAIA Funds may be reimbursed in full for its payment of Arcesium Fees; however, there is no guarantee of reimbursement in any event. In the event that cash distributions received by BAAM from Arcesium exceed the Arcesium Fees paid by such funds/accounts, any excess amounts will be retained by BAAM. In the event that Arcesium is sold to a third-party, there is no guarantee that BAAM will continue to receive such cash distributions and that such fund/accounts will be reimbursed for any portion of the Arcesium Fees paid by them.

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Item 6 – Performance-Based Fees

In addition to the asset-based advisory fees disclosed in **Item 5 – Fees and Compensation** above, certain BAIA Funds charge a performance-based fee of up to 15% of the positive performance of such BAIA Funds, subject to a loss carryforward provision. Under a loss carryforward provision (also referred to as a “high water mark”), if a BAIA Fund has a loss chargeable to it during any fiscal year, or is required to pay an Additional Sub-Adviser Performance Fee (defined below) to Underlying Managers, and during a subsequent fiscal year there is a profit allocable to such BAIA Fund, there will be no performance-based fee payable with respect to such BAIA Fund until the amount of the loss or additional fee, as applicable, has been recouped.

Generally, Blackstone managed funds and Blackstone employees, retired partners, and certain former employees may not be subject to such performance-based fee.

BAIA compensates the Underlying Managers that serve as a sub-adviser out of the fees it receives from the relevant BAIA Fund. Such compensation may include a performance fee of up to 20% of the Underlying Manager’s positive performance typically subject to a loss carryforward provision. If, as of any performance period, the sum of all Underlying Managers’ performance fees exceeds the performance fee received by BAIA from the BAIA Fund, the BAIA Fund will pay an additional amount (“Additional Sub-Adviser Performance Fee”) to BAIA to cover the shortfall. Any such Additional Sub-Adviser Performance Fee will be deducted from BAIA's performance fee before it is paid in subsequent performance periods.

Since Underlying Managers are compensated based on the performance of their investment(s), a particular Underlying Manager will typically receive a performance allocation in respect of its positive investment performance even during a period when the BAIA Funds experience a loss.

Certain Underlying Investment Vehicles may also charge a performance-based fee of up to 30% of net profits, in some cases subject to a loss carryforward provision.

Investors in applicable BAIA Funds indirectly bear their pro rata share of performance-based fees for the time period they are invested in the BAIA Fund. These fee arrangements are more thoroughly described in the relevant Client Constituent Documents.

Note: BAIA’s asset-based advisory and performance-based fees are not inclusive of all fees. Please see **Item 5 – Fees and Compensation (Additional Fees and Expense)**.

Please note the existence of a performance-based fee may incentivize BAIA or the applicable Underlying Manager to manage the BAIA Funds’ assets in a more aggressive manner than if there were no performance-based fee. Further, the lack of a performance-based fee for certain BAIA Funds trading side-by-side with BAAM Funds that pay a performance-based fee creates a potential conflict of interest on the part of BAIA with respect to the allocation of investment opportunities. BAIA has a trade allocation policy (see **Item 12 – Brokerage Practices**) that is designed to address these potential conflicts of interest.

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Item 7 – Types of Clients

BAIA serves as the investment adviser to the Registered Funds and the Subsidiaries.

Certain share classes of the Registered Funds have minimum investment requirements. Financial intermediaries who offer shares of the Registered Funds may offer such shares subject to additional shareholder qualification requirements and minimum investment amounts.

Investors in BAIA Funds are based in the U.S. and outside of the U.S. and may consist of:

- ▶ Banks and other financial institutions
- ▶ Brokerage Accounts
- ▶ Charitable organizations
- ▶ Corporations
- ▶ High net worth individuals
- ▶ Individuals who are clients of:
 - Financial intermediaries
 - Broker-dealers
 - Financial institutions
 - Registered investment advisers
- ▶ Insurance companies
- ▶ Public and private profit sharing plans
- ▶ Public and private retirement and pension plans
- ▶ Registered Investment Companies
- ▶ State and municipal government agencies
- ▶ Trusts and estates
- ▶ Certain Blackstone employees
- ▶ Blackstone managed funds
- ▶ Business entities other than those listed above

All Investors are subject to applicable suitability and eligibility requirements.

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Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Analysis

BAIA invests across multiple asset classes, regions and risk spectrum. BAIA uses a variety of analysis and data to evaluate investment options and formulate investment advice for the BAIA Funds.

BAIA identifies, researches, interviews, evaluates, selects and monitors the Underlying Managers. The Underlying Managers execute various types of investment strategies on behalf of the BAIA Funds. BAIA selects and monitors the Underlying Managers based on certain criteria, which include, but are not limited to:

- ▶ Investment performance
- ▶ Risk management techniques
- ▶ Levels of volatility
- ▶ Liquidity
- ▶ Investment philosophies
- ▶ Factors relating to management and investment professionals such as experience and commitment

Investment Strategies

BAIA allocates the assets of the BAIA Funds among a variety of non-traditional or “alternative” investment strategies. The Adviser allocates the assets of the BAIA Funds among Underlying Managers that serve as discretionary and non-discretionary sub-advisers with experience managing alternative investment strategies and among Investment Funds. The Adviser also manages a portion of the BAIA Funds assets directly and, from time to time, may instruct Underlying Managers with respect to particular investments. Such investment strategies include, but are not limited to:

- **Equity Hedge Strategies**, which employ both long and short positions in primarily equity securities and equity security derivatives. A wide variety of investment processes, including both fundamental and quantitative techniques, can be employed to arrive at an investment decision. Investment strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of the levels of net exposure, leverage employed, holding periods, concentrations of market capitalizations, and valuation ranges of typical portfolios. Equity hedge strategies include:
 - **Equity Long/Short Strategies**, which combine core long and short positions in stocks, stock indices, or derivatives related to the equity markets. Equity long/short investment managers attempt to generate capital appreciation by developing and actively managing equity portfolios that include both long and short positions. Long/short equity strategies generally seek to generate capital appreciation through the establishment of both long and short positions in equities by purchasing perceived undervalued securities and selling perceived overvalued securities to generate returns and to reduce a portion of general

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Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

market risk. In generating non-market related returns, this investment approach emphasizes an investment manager's discretionary approach based on fundamental research. Investment managers employing equity long/short strategies may focus on a particular sector of the market or invest in a broad range of investments.

- **Equity Market Neutral Strategies**, which employ fundamental or quantitative techniques of analyzing price data to seek to ascertain information about future price movement and relationships between securities. Equity market neutral investment managers attempt to generate capital appreciation by developing and actively managing equity portfolios that contain relatively balanced long and short positions. This strategy can, among other things, include an investment approach based on company-specific fundamental valuation and analysis. This strategy can include the systematic analysis of common relationships between securities. Additionally, this strategy can include statistical arbitrage/trading strategies that seek to exploit pricing anomalies and new information the investment manager believes has not been fully, completely, or accurately discounted into current security prices.
- **Event-Driven Strategies**, which focus on event-linked, reinsurance-related, and other types of securities and instruments that are currently or may be prospectively affected by transactions or events, including mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance, other capital structure adjustments, shareholder activism, or triggering events relating to weather, natural disasters and other catastrophes. The investment focus is predicated on fundamental analysis of the anticipated effect of such transactions or events on the price of the securities of a company. Security types can range from the most senior in the capital structure to the most junior or subordinated, and frequently involve additional derivative securities. Event-driven strategies include:
 - **Distressed/Restructuring Strategies**, which focus on corporate fixed income instruments, primarily corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy or restructuring proceeding or financial market perception of near term proceedings. Managers typically employ fundamental credit processes focused on valuation and asset coverage of securities of distressed firms. In some cases portfolio exposures are concentrated in instruments that are publicly traded, in some cases actively and in others under reduced liquidity.
 - **Event-Driven Multi-Strategy Strategies**, which focus on positions in companies currently or prospectively involved in corporate transactions or events of a wide variety including mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Event-driven exposure includes a combination of

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sensitivities to equity markets, credit markets, and idiosyncratic, company specific developments.

- **Reinsurance Strategies**, which focus on investing in reinsurance-related securities, including, but not limited to, event-linked bonds and certain derivatives. The performance of reinsurance-related securities and the reinsurance industry itself are tied to the occurrence of various triggering events, including weather, natural disasters (hurricanes, earthquakes, etc.), non-natural large catastrophes, and other specified events causing physical and/or economic loss. Investment decisions are typically not based on prospects for the economy or based on movements of traditional equities and debt securities markets.
- **Risk Arbitrage Strategies**, which focus on securities of companies that are targets of merger transactions in order to capture the difference in the value of the target company and its price in the marketplace. Managers typically employ a process-driven and quantitative approach to value complex merger offers and to measure and manage risk. Risk arbitrage transactions are generally affected by (i) the risk-free rate of return at the time a position is established; (ii) the likelihood a transaction is completed or fails, and the gains or losses associated with each outcome; (iii) market risk; and (iv) a risk arbitrage premium.
- **Macro Strategies**, which seek to profit from movements in underlying macroeconomic variables and the impact those variables, have on equity, fixed income, currency, and/or commodity markets. These strategies employ a variety of techniques, including discretionary and systematic approaches, combinations of top-down and bottom up analysis, fundamental and quantitative techniques, and long- and short-term holding periods. These strategies invest across various countries, markets, sectors, and companies, and have the flexibility to invest in numerous financial instruments, including derivatives. Macro strategies include:
 - **Discretionary Thematic Strategies**, which focus on the evaluation of market data, relationships, and influences, as interpreted by investment personnel, to identify themes in markets that are expected to outperform the relevant market as a whole. These strategies employ investment processes primarily influenced by top-down analysis of macroeconomic variables. Investment managers may trade actively in developed and emerging markets, focusing on both absolute and relative levels on equity markets, interest rates/fixed income markets, currency, and/or commodity markets. Investment managers frequently employ spread trades to isolate a differential between instruments identified by the investment manager to be inconsistent with expected value.
 - **Systematic Diversified Strategies**, which employ mathematical, algorithmic, and technical models, with little or no influence of investment personnel over the portfolio positioning. These strategies typically seek to identify opportunities in markets exhibiting trending or momentum, value, or carry characteristics across

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individual instruments or asset classes. Such strategies typically employ a quantitative process that focuses on statistically robust or technical patterns in the return series of the asset and highly liquid instruments, including strategies that seek risk to profit from premia caused by factors such as risk aversion, behavior biases, or structural limitations.

- **Relative Value Strategies**, which focus on potential valuation discrepancies in related financial instruments. These strategies generally involve taking a position in one financial instrument and simultaneously taking an offsetting position in a related instrument in an attempt to profit from incremental changes in the price differential. Investment managers seek to exploit these discrepancies while achieving a low correlation to the market. These strategies employ a variety of fundamental and quantitative techniques and financial instruments may range broadly across asset classes and security types. Relative value strategies include:
 - **Fixed Income—Asset Backed Strategies**, which focus on the realization of a spread between related instruments, at least one of which is a fixed income instrument backed by physical collateral or other financial obligations other than those of a specific corporation. These strategies seek to isolate attractive opportunities between a variety of fixed income instruments specifically securitized by collateral commitments which frequently include loans, pools and portfolios of loans, receivables, real estate, machinery, or other tangible financial commitments. In many cases, investment managers hedge, limit, or offset interest rate exposure in the interest of isolating the risk of the position to strictly the yield disparity of the instrument relative to the lower risk instruments.
 - **Fixed Income—Corporate Strategies**, which focus on realization of a spread between related instruments, at least one of which is a corporate fixed income instrument. These strategies employ an investment process designed to isolate attractive opportunities between a variety of fixed income instruments, typically realizing an attractive spread between multiple corporate bonds or between a corporate and risk free government bond.
- **Multi-Strategy Strategies**, which employ a wide variety of strategies, including some or all of those described above.

In connection with the foregoing strategies, the BAIA Funds will generally invest in a broad range of instruments, markets and asset classes economically tied to U.S. and foreign markets (including emerging markets). Investments include, but are not limited to, equity securities, fixed income securities and derivative and commodity instruments.

The equity securities in which the BAIA Funds invest include equity securities of companies of any market capitalization throughout the world (both U.S. and foreign markets (including emerging markets)), which include common stocks, preferred stocks, convertible securities,

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Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

depository receipts, exchange-traded funds, real estate investment trusts, and partnership interests.

The fixed income securities in which the BAIA Funds invest include debt securities of governments throughout the world (both U.S. and foreign markets (including emerging markets)) as well as their agencies and / or instrumentalities, debt securities of corporations throughout the world (both U.S. and foreign markets (including emerging markets)), including inflation-indexed securities, debt securities of any duration, maturity, or credit rating (including below investment grade debt securities, (commonly known as “junk bonds”)) or debt securities that are unrated, commercial and residential mortgage-backed securities, asset-backed securities (including those backed by consumer assets), adjustable rate securities, stripped securities (*i.e.*, securities resulting from the separation of income and principal components of debt securities), net interest margin securities (*i.e.*, securities based on the value of excess cash flows received by underlying mortgage-backed securities), bank and direct loans, loan assignments and loan participations, bankruptcy or trade claims, and event-linked instruments (including catastrophe bonds).

The derivative instruments in which the BAIA Funds invest include futures and forward contracts, such as index, interest rate, and government bond futures and mortgages to be announced securities; swaps, such as credit default swaps, total return swaps, interest rate swaps (including constant maturity swaps), currency swaps, swaptions, and / or contracts for difference, call and put options including writing (selling) calls against positions in the portfolio (“covered calls”) or writing (selling) puts, over-the-counter options and currency options, and warrants and rights. The BAIA Funds may invest in foreign currency futures, forwards, or exchange contracts. Any of these derivatives may be used in an effort to gain economic exposure to one or more alternative investment strategies, to enhance returns, or to hedge the BAIA Funds’ positions by managing or adjusting the risk profile of the BAIA Funds or their individual positions. In addition to derivative instruments, the BAIA Funds may also invest in repurchase agreements, reverse repurchase agreements, and purchase and sale contracts.

Risk of Loss

The investment program of the BAIA Funds entails substantial risks and includes alternative investment techniques not employed by traditional mutual funds. An Investor may lose part or all of an investment or the investment may not perform as well as other similar investments. An investment in the BAIA Funds should be viewed only as part of an overall investment program. No assurance can be given that the BAIA Funds investment programs will be successful. The following is a summary description of the principal risks of investing in the BAIA Funds. Any decision to invest in the BAIA Funds should take into account that the BAIA Funds may make a wide range of investments, and be subject to related risks, which can be substantial.

General Economic and Market Conditions: The success of BAIA’s and the Underlying Manager’s investments activities will be affected by general economic and market conditions, such as:

- ▶ Interest rates

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- ▶ Availability of credit
- ▶ Credit defaults
- ▶ Inflation rates
- ▶ Economic uncertainty
- ▶ Changes in laws (including laws relating to taxation of the Underlying Managers' investments)
- ▶ Trade barriers
- ▶ Currency exchange controls
- ▶ National and international political circumstances (including wars, terrorist acts or security operations)

Investment and Trading Risk: All investments made by the BAIA Funds risk the loss of capital (*i.e.*, invested amount). BAIA and the Underlying Managers utilize such investment techniques as margin transactions, synthetic short sales, option transactions and forward and futures contracts, and other derivatives trading, which practices can, in certain circumstances, increase the risk of losses. No guarantee or representation is made that BAIA's or any Underlying Manager's investment program will be successful, and investment results may vary substantially over time. BAIA Funds and Investors are subject to the risk of substantial losses.

- ▶ Activist Strategies Risk
- ▶ Allocation Risk
- ▶ Arbitrage Strategies Risk
- ▶ Bank Debt Risk
- ▶ Bankruptcy Process Risk and Trade Claims Risk
- ▶ Below Investment-Grade Instruments Risk
- ▶ Borrowing Risk
- ▶ Collateralized Debt Obligations Risk
- ▶ Commodities-Related Investments Risk
- ▶ Conflicts of Interest Risk
- ▶ Convertible Securities Risk
- ▶ Counterparty Credit Risk
- ▶ Cyber Security Breaches and Identity Theft
- ▶ Debt Securities Risk
 - Credit Risk
 - Event Risk

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- Extension Risk
- Interest Rate Risk
- Prepayment Risk
- Variable and Floating Rate Instrument Risk
- ▶ Defensive Investing Risk
- ▶ Derivatives Risk
 - Contracts for Difference Risk
 - Futures
 - Forwards
 - Options
 - Swap Agreements
- ▶ Distressed Securities Risk
- ▶ Equity Securities Risk
- ▶ Event-Driven Trading Risk
- ▶ Event-Linked Instrument Risk
- ▶ Foreign Investments and Emerging Markets Risk
- ▶ Government Issued Securities Risk
- ▶ Hedging Transactions Risks
- ▶ High Portfolio Turnover Risk
- ▶ Investment Company and ETF Risk
- ▶ Large Redemption Risk
- ▶ Leverage Risk
- ▶ Liquidity Risk
- ▶ Long/Short Strategies Risk
- ▶ Macro Strategy Risk
- ▶ Market Capitalization Risk
- ▶ Market Risk and Security Selection Risk
- ▶ Model and Technology Risk
- ▶ Mortgage- and Asset-Backed Securities Risk
- ▶ Multi-Manager Risk
 - Offsetting Positions

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- Proprietary Investment Strategy Risk
- Differential Strategy Risk
- ▶ New Issue Risk
- ▶ Non-Exchange Traded Securities and Privately Place Securities Risk
- ▶ Regulatory Risk
- ▶ Real Estate and REIT Investment Risk
- ▶ Relative Value Strategies Risk
- ▶ Repurchase Agreements and Reverse Repurchase Agreements Risk
- ▶ Sector Risk
- ▶ Securities Lending Risk
- ▶ Short Sales Risk
- ▶ Sovereign Debt Risk
- ▶ Structured Products Risk
- ▶ Subsidiary Risk
- ▶ Tax Risk
- ▶ TBA Risk
- ▶ Valuation Risk
- ▶ Warrants and Rights Risk

Risks Specific to Investments in Underlying Investment Vehicles

- ▶ Duplicative Fees and Expenses
- ▶ Estimates
- ▶ Exemption from 1940 Act / UCITS Rules
- ▶ Illiquid Securities Risk
- ▶ Limited Information Rights
- ▶ Performance Fees
- ▶ Special Situation Investments
- ▶ Waiver of Voting Rights

The above list is provided for illustrative purposes and is not intended to be all inclusive. A detailed description of the risks associated with BAIA's investment strategy is included in the Client Constituent Documents of the respective BAIA Funds, where applicable, a copy of which is provided to prospective investors and should be carefully reviewed prior to investing.

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Item 9 – Disciplinary Information

BAIA is obligated to disclose any legal or disciplinary event that would be material to you when evaluating a client / adviser relationship. On occasion, in the ordinary course of its business, Blackstone is named as a defendant in proceedings that could result in findings, settlements, charges or various forms of sanctions against Blackstone and / or one of its affiliates, including BAIA. There have been no material regulatory findings against BAIA in the past. As of the date of this Brochure, there are no regulatory proceedings pending against BAIA and BAIA does not believe that any current litigation to which Blackstone or any of its affiliates is a party will have a material adverse effect on BAIA and / or the BAIA Funds or should be material when evaluating your client/adviser relationship with us.

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Item 10 – Other Financial Industry Activities and Affiliations

BAIA is an affiliate of the following entities:

Broker-Dealer Entities

Blackstone Advisory Partners L.P.	Provides a variety of limited investment banking services
FEF Distributors LLC	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds
Alight Financial Solutions, LLC	Provides self-directed brokerage windows to participants of plan sponsored 401(k) retirement plans
Incenter Securities Group LLC	Provides a variety of limited investment banking services

Investment Advisor Entities

Alight Financial Advisors, LLC	Provides advisory services to participants of plan sponsored 401(k) retirement plans
Blackstone Alternative Asset Management L.P.	Manages a series of private and closed-end funds engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Clean Technology Advisors L.L.C.	Provides investment advisory services to private investment funds specializing in the cleantech energy sector
Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Debt Advisors L.P.	Provides investment advisory services to a number of debt-focused private investment funds
Blackstone Infrastructure Advisors L.L.C.	Provides investment advisory services to one or more infrastructure-focused investment funds

Blackstone Alternative Investment Advisors LLC

Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
Blackstone ISG-I Advisors L.L.C.	Provides investment advisory services to one or more private investment funds and managed accounts focusing on fixed income investments and investments across Blackstone’s private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone ISG-II Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone’s private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone Management Partners L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners IV L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Mezzanine Advisors L.P.	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Property Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors Europe L.P.	Provides investment advisory services to various real estate investment funds
Blackstone Real Estate Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end real estate investment funds
Blackstone Real Estate Advisors International L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors (Isobel) L.L.C.	Provides investment advisory services to private investment funds and accounts which invest primarily in public and private debt and other interests of real estate assets and real estate-related holdings

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Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private funds
Blackstone Multi-Asset Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone’s private equity, real asset, credit, hedge fund and opportunistic alternative asset management strategies
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
Blackstone / GSO Debt Funds Europe Limited	Provides investment advisory services to a number of debt-focused private investment funds
Blackstone / GSO Debt Funds Management Europe Limited	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
Blackstone / GSO Debt Funds Management Europe II Limited	Provides investment advisory services to a number of debt-focused private investment funds
BSCA Advisors L.L.C.	Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C.
BXMT Advisors L.L.C.	Provides investment advisory services to a REIT and other investment vehicles
BX REIT Advisors L.L.C.	Provides investment advisory services to a public, non-traded REIT
CT High Grade Mezzanine Manager, LLC	Provides investment advisory services to assets owned by a third party insurance company
CT High Grade Partners II Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets

Blackstone Alternative Investment Advisors LLC

Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
CT Investment Management Co., LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
First Eagle Investment Management, LLC	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
GSO Capital Advisors LLC	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
GSO Capital Advisors II LLC	Provides investment advisory services to a number of debt-focused separately managed accounts
GSO Capital Partners International LLP	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
GSO Capital Partners LP	Provides investment advisory services to a number of debt-focused private investment funds and closed-end funds
GSO/Blackstone Debt Funds Management LLC	Provides investment advisory services to a number of debt-focused private investment funds, closed-end funds and separately managed accounts
Harvest Fund Advisors LLC	Provides investment advisory services to various categories of institutions and high net worth individuals via private pooled investment vehicles and separate accounts investing principally in publicly-traded energy infrastructure Master Limited Partnerships and the North American energy market
Incenter Capital Management LLC	Provides investment advisory services to mortgage related asset private funds and managed accounts
Newstar Capital LLC	Provides investment advisory services to a number of CLO's, private investment funds and separately managed accounts specializing in liquid credit
Newstar Commercial Loan Originator II LLC	Provides investment advisory services to CLO's specializing in middle market credit

Blackstone Alternative Investment Advisors LLC

Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
Newstar Financial, Inc	Provides investment advisory services to a number of CLO's, private investment funds and separately managed accounts specializing in middle market credit
Strategic Partners Fund Solutions Advisors L.P.	Provides investment advisory services to a number of pooled investment and custom vehicles operating as private investment funds
Blackstone Europe Fund Management S.a.r.l.	Provides services to various European alternative investment funds
Blackstone Singapore Pte Ltd	Singapore investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group (Australia) Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group (HK) Limited	Hong Kong investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group Japan K.K.	Japanese investment advisory firm, which serves as a sub-advisor to the registrant
Registered or Exempt Commodity Trading Advisor and / or Commodity Pool Operator Entities	
Blackstone Alternative Investment Advisors LLC (CTA/CPO)	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Asset Management L.P. (CTA/CPO)	Manages a series of private and closed-end funds engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Solutions L.L.C. (CTA/CPO)	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Strategic Alliance Advisors L.L.C. (CTA/CPO)	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C. (CPO)	Manages private funds engaged in acquisitions of minority interests in alternative asset managers

Blackstone Alternative Investment Advisors LLC

Item 10 – Other Financial Industry Activities and Affiliations

Registered or Exempt Commodity Trading Advisor and / or Commodity Pool Operator Entities	
Blackstone Treasury Solutions Advisors L.L.C. (CPO)	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
First Eagle Investment Management, LLC (CTA/CPO)	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
Incenter Capital Management LLC (CTA)	Provides investment advisory services to mortgage related asset private funds and managed accounts
Insurance Entities	
Agents National Title Holding Company	A wholly owned subsidiary of Incenter and is a title insurance broker serving consumers and lenders through a network of independent title agents
Boston National Holdings LLC	A wholly owned subsidiary of Incenter and is a title insurance agency
Lexington National Land Services	Places title insurance and provide title services for real property owned by various funds and / or their portfolio entities
Rothsay Life Plc	Life insurer specializing in bulk annuities and other de-risking solutions for defined benefit pension schemes and insurance companies

Note: Other entities within the Hedge Fund Solutions Group, which serve as general partners of funds managed by BAIA affiliates (and are listed in BAIA's ADV Part 1, Schedule D Section 7A), may be deemed to be investment advisors but are not required to be registered as such. BAIA manages a number of public investment companies, which are listed at: <https://www.blackstone.com/the-firm/asset-management/registered-funds#c=blackstone-alternative-multi-strategy-fund&t=Investor+Documents>.

Blackstone Alternative Investment Advisors LLC

Item 10 – Other Financial Industry Activities and Affiliations

Potential Conflicts of Interest specific to Blackstone Advisory Partners L.P.

Blackstone Advisory Partners L.P. (“BAP”) is a registered broker dealer and an affiliate of BAIA. BAP does not make markets in any securities and generally does not hold proprietary positions in securities or other investments. BAP engages in underwriting activities, which generally involve underwriting of debt and equity securities by Blackstone private equity portfolio companies. BAP serves as principal underwriter and distributor for several U.S. Registered Funds managed by BAIA.

On October 1, 2015, Blackstone spun off the financial and strategic advisory and restructuring and reorganization advisory divisions of BAP, as well as its Park Hill Group fund placement business, and combined these businesses with PJT Partners, an independent financial advisory firm founded by Paul J. Taubman (“PJTP”). While PJTP operates independently from Blackstone and is not an affiliate thereof, there is substantial ownership overlap between Blackstone and PJTP and conflicts may arise in connection with transactions of BAIA Funds on one side and PJTP on the other. Such overlapping ownership, as well as the relationship between Blackstone and its former personnel involved in PJTP, may influence Blackstone in deciding to select or recommend PJTP to perform services for Blackstone-managed funds (or a portfolio company).

BAIA U.S.-based marketing personnel who are responsible for raising assets are registered representatives of BAP. BAP does not receive any compensation relating to such arrangement.

Potential Conflicts of Interest specific to Patria Investments S.A.

Blackstone owns 40% of the equity interests in Pátria Investments S.A. (“Pátria”), a leading Brazilian alternative asset manager and advisory firm. Pátria’s alternative asset management businesses include the management of private equity funds, real estate funds, infrastructure funds and hedge funds. Each of Blackstone’s and Pátria’s respective investment funds continues to pursue investment opportunities in accordance with their existing mandates. There may be instances where appropriate investment opportunities will be shared (in whole or in part) with Pátria.

See **Item 11 – Code of Ethics** for a further discussion of potential conflicts of interest.

Blackstone Alternative Investment Advisors LLC

Item 11 – Code of Ethics

As required by the Advisers Act, Blackstone and BAIA have adopted a Code of Ethics (the “Code”) that governs a number of potential conflicts of interest that exist when providing advisory services. This Code is designed to enable BAIA to meet its fiduciary obligation to BAIA’s clients (or prospective clients) and to instill a culture of compliance within BAIA. An additional benefit of the Code is to assist Blackstone and BAIA in preventing violations of securities laws.

The Code is distributed to each employee at the time of hire and annually thereafter, and it is available on Blackstone’s intranet. BAIA also supplements the Code with ongoing monitoring of employee activity.

The Code includes (among other things):

- ▶ Requirements related to confidentiality
- ▶ Limitations on, and reporting of, gifts and entertainment
- ▶ Pre-clearance of political contributions
- ▶ Pre-clearance and reporting of employee personal securities transactions
- ▶ Pre-clearance of outside business activities
- ▶ Protection of persons who engage in “whistle blowing” activities from retaliation

On an annual basis, Blackstone requires all employees to certify that they are in compliance with the Code.

Potential Conflicts of Interest

Blackstone offers many different products and services and there are several potential conflicts of interest which may arise, including, but not limited to, those in **Item 10 – Other Financial Industry Activities and Affiliates** and identified below. BAIA has adopted, and continues to adopt, policies and procedures to address such potential conflicts of interest.

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Item 11 – Code of Ethics

Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
<p>From time to time BAIA takes investment positions or actions for one or more BAIA Funds that may be different from, or inconsistent with, actions or positions taken for one or more other BAIA Funds (or funds managed by affiliates of BAIA) having similar or differing investment objectives.</p>	<p>The decision to hire an Underlying Manager as a sub-adviser to the BAIA Funds is reviewed and approved by the BAIA Investment Committee (see Item 13 – Review of Accounts for further details). Each BAIA Fund is overseen by a board of trustees or board of directors that has independent members and bears overall responsibility to manage and control the business affairs of such funds.</p> <p>BAIA maintains detailed policies and procedures relating to allocations among the BAIA Funds.</p>
<p>Blackstone and its affiliates have financial interests in investment vehicles and asset managers (each a “<u>Blackstone Affiliated Manager</u>”). For example, Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), an affiliate of BAIA, manages certain funds that make minority investments in established investment managers (the “Strategic Capital Managers”) and receives revenue in respect of the funds’ investment. Similarly, Blackstone Strategic Alliance Advisors L.L.C. (“BSAA”), an affiliate of BAIA, manages certain funds that make seed investments in private investment funds managed by emerging fund managers (the “Strategic Alliance Managers”) and receive an interest in such manager’s revenues.</p> <p>Due to prohibitions contained in the 1940 Act on certain transactions between a Registered U.S. Fund and its affiliated persons, or affiliated persons of those affiliated persons, the Registered U.S. Funds may not be able to invest in Underling Investment Vehicles managed by</p>	<p>The decision to hire an Underlying Manager as a sub-adviser to the BAIA Funds is reviewed and approved by the BAIA Investment Committee (see Item 13 – Review of Accounts for further details).</p> <p>Each BAIA Fund is overseen by a board of trustees or board of directors that has independent members and bears overall responsibility to manage and control the business affairs of such funds.</p> <p>To the extent that a BAIA Fund allocates assets to an Underlying Investment Vehicle managed by a Strategic Capital Manager or Strategic Alliance Manager, BSAA or BSCA, as applicable, will rebate to the BAIA Fund the revenue it receives from such manager relating to such investment (Investors in the BSAA and BSCA funds will not rebate their share of such revenue).</p> <p>BAIA intends to allocate investment opportunities in accordance with the BAIA Funds respective compliance policies and procedures, taking into account the relevant investment objectives and criteria, amounts of capital available, exposure to market</p>

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Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
<p>certain Blackstone Affiliated Managers, even if the investment would be appropriate for such Fund.</p> <p>BAIA generally will be permitted to hire a Blackstone Affiliated Manager to serve as a sub-advisor to the BAIA Funds, although, in the case of the Registered U.S. Funds, the nature of Blackstone’s relationship with such manager may prevent BAIA from relying on the Manager of Managers Order (defined below) with respect to such hiring. BAIA may have an incentive to allocate the BAIA Funds’ assets to Blackstone Affiliated Managers since affiliates of BAIA will receive fees relating to such allocations and otherwise will have a direct or indirect financial interest in the success of such managers.</p> <p>There is significant overlap between BAIA’s Investment Committee and the investment committees for BAAM, BSCA, BAS and BSAA.</p> <p>Strategic Capital Managers and Strategic Alliance Managers do not represent an exhaustive list of Blackstone Affiliated Managers.</p>	<p>trends, liquidity, diversification, risk exposure, trading volume, contractual restrictions, guidelines, and similar factors.</p>
<p>BAIA, BAAM, and / or Blackstone potentially could choose not to allocate fund expenses to a client that has a more advantageous fee structure and instead allocate that portion of such expenses to other clients.</p>	<p>HFS allocates expenses on a basis that it considers equitable and in accordance with its expense allocation policies and the Client Constituent Documents.</p>
<p>Members of BAIA’s senior management may sit on advisory boards of an Underlying Manager. Currently, this is the case for one Underlying Manager.</p>	<p>The decision to hire an Underlying Manager as a sub-adviser to the BAIA Funds is reviewed and approved by the BAIA Investment Committee (see Item 13 – Review of Accounts for further details) and, in the case of the Registered U.S. Funds, by the board of</p>

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Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
	trustees of such funds, which is majority independent.
<p>To the extent permitted by applicable law, BAIA may cause a BAIA Fund to purchase investments from, to sell investments to, to exchange investments with, or to transfer investments to, another BAIA Fund.</p>	<p>Any such purchases, sales, exchanges or transfers will be effected based upon the independent current market price or fair market value of the investment, will be effectuated in compliance with the Advisers Act and will be subject to the approval of BAIA’s Chief Compliance Officer (among others) in accordance with BAIA’s cross trade policies and procedures.</p>
<p>BAAM provides advisory services, typically on a non-discretionary basis, regarding the hedge fund portfolios of certain clients (“BAAM Advisory Clients”). BAAM may communicate investment recommendations to BAAM Advisory Clients prior to the full implementation of such recommendations by BAIA for the BAIA Funds. Accordingly, the BAIA Funds may be seeking to obtain limited capacity from Underlying Managers at the same time as BAAM Advisory Clients.</p> <p>Similarly, to the extent that an Underlying Manager imposes redemption limitations, actions taken by BAAM Advisory Clients may be adverse to the BAIA Funds.</p> <p>In addition, BAAM Advisory Clients, from time to time, may have access to or have the right to obtain information about investment decisions made for the BAIA Funds. Based on such information, BAAM Advisory Clients may take actions that are adverse to the BAIA Funds.</p>	<p>BAIA and BAAM maintain detailed policies and procedures relating to allocations among their Funds.</p>
<p>Investment opportunities that are appropriate for a BAIA Fund may also be appropriate for Other Blackstone Clients.</p>	<p>See Item 12 – Brokerage Practices – Investment Allocations.</p>

Blackstone Alternative Investment Advisors LLC

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
Blackstone has entered, and it can be expected that Blackstone in the future will enter, into strategic relationships with investors that involve an overall relationship with Blackstone. A Blackstone strategic relationship often involves an investor agreeing to make a capital commitment to multiple Blackstone funds, which may include a BAIA Fund. The terms and conditions applicable to Blackstone strategic relationships typically would not apply to an investor's investment in the BAIA Funds.	Investors are notified of such potential conflicts.

Non-Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
Blackstone employees invest for their own accounts in various investment opportunities, including investments in which the BAIA Funds may have an interest.	<p>All Blackstone employees must pre-clear trades in all hedge funds and other securities (subject to a limited number of exceptions) with Blackstone Compliance.</p> <p>All BAIA employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with BAAM / BAIA Compliance and Blackstone Compliance.</p> <p>Upon hire and quarterly thereafter, all BAIA employees must report all hedge fund holdings. BAIA employees are generally restricted from investing with Underlying Managers.</p> <p>The decision to hire an Underlying Manager as a sub-adviser to the BAIA Funds is reviewed and approved by the BAIA Investment Committee (see Item 13 – Review of Accounts for further details) and, in the case of the Registered U.S. Funds, by the board of trustees of such funds, which is majority independent.</p>

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Potential Conflict	Mitigating Policy
<p>From time to time, BAIA and / or Blackstone employees may speak at conferences and programs for potential hedge fund investors, which are sponsored by BAIA / Blackstone’s third-party service providers. Through such “capital introduction” events, prospective hedge fund investors have the opportunity to meet with BAIA. Such events and other services (including, without limitation, capital introduction services) provided by service providers, including prime brokers, custodians and administrators, may influence BAIA / Blackstone in deciding whether to use such service provider.</p> <p>BAIA may have a placement agreement or other relationship with a broker-dealer that sponsors hedge fund conferences or similar events.</p>	<p>All BAIA employees must pre-clear speaking at conferences and other programs with BAAM / BAIA Compliance.</p> <p>Materials provided by BAIA as part of such conferences and other programs must be approved by BAAM / BAIA Compliance.</p> <p>Neither BAIA nor the BAIA Funds compensates the service providers for organizing such events.</p>
<p>BAIA incurs common expenses on behalf of all BAIA Funds.</p>	<p>BAIA allocates such expenses on a basis that it considers equitable and in accordance with its expense allocation policies and the Client Constituent Documents.</p>

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Fee Related Potential Conflicts

Potential Conflict	Mitigating Policy
<p>BAIA typically compensates the Underlying Managers that serve as investment sub-advisers to a BAIA Fund out of the asset-based advisory fees and, for certain BAIA Funds, out of the performance fees it receives from the BAIA Fund. This arrangement may incentivize BAIA to favor Underlying Managers that charge lower fees.</p> <p>The advisory fees charged by certain Underlying Managers that serve as investment sub-advisers to a BAIA Fund contain fee breakpoints based on the amount of assets allocated to such Underlying Managers. This arrangement may incentivize BAIA to favor Underlying Managers whose advisory fee contains breakpoints.</p> <p>BAIA's fees are not reduced by the amount of any advisory or performance fees paid in connection with investments in Underlying Investment Vehicles. This arrangement may incentivize BAIA to favor investments in Underlying Investment Vehicles over hiring Underlying Managers to serve as investment sub-advisers.</p>	<p>The decision to hire an Underlying Manager as a sub-adviser to the BAIA Funds is reviewed and approved by the BAIA Investment Committee (see Item 13 – Review of Accounts for further details) and, in the case of the Registered U.S. Funds, by the board of trustees of such funds, which is majority independent.</p> <p>Additionally, in relying on the exemptive order issued by the SEC in recommending the hiring, termination and replacement of permitted sub-advisers ("Manager of Managers Order"), BAIA will provide the board of trustees of such Registered U.S. Funds with information showing the expected impact of any proposed sub-adviser hiring or termination on the profitability of BAIA.</p>

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Item 11 – Code of Ethics

Blackstone Related Potential Conflicts

Potential Conflict	Mitigating Policy
From time to time, Blackstone may refer potential investors to BAIA and these investors may become investors in one of the BAIA Funds.	All investors are reviewed for suitability of investments.
Blackstone may hire or enter into a partnership or other arrangement with one or more investment professionals to form and manage pooled investment vehicles or separately managed accounts pursuing alternative investment strategies (“Blackstone Proprietary Funds”). Blackstone and its affiliates typically would receive a significant portion of the revenues attributable to these Blackstone Proprietary Funds. Such existing Blackstone Proprietary Funds and any Blackstone Proprietary Funds formed in the future may compete with Underlying Managers and the BAIA Funds.	<p>The decision to hire an Underlying Manager as a sub-adviser to the BAIA Funds is reviewed and approved by the BAIA Investment Committee (see Item 13 – Review of Accounts for further details) and, in the case of the Registered U.S. Funds, by the board of trustees of such funds, which is majority independent.</p> <p>Blackstone maintains detailed policies and procedures relating to information sharing among different Blackstone business groups and information walls in general.</p>
Blackstone has implemented certain policies and procedures and information barriers that may reduce the positive synergies that the BAIA Funds could otherwise utilize for purposes of identifying attractive investments.	See Item 12 – Brokerage Practices – Blackstone-wide Policies, Procedures and Guidelines.

In addition to those potential conflicts of interest identified in this **Item 11 – Code of Ethics**, please see **Item 12 – Brokerage Practices** for a discussion of potential conflicts of interest relating to Trade Allocations.

You may request a copy of BAIA’s Code of Ethics by contacting us at the address, telephone number or e-mail on the cover page of this Brochure.

Blackstone Alternative Investment Advisors LLC

Item 12 – Brokerage Practices

General Considerations

There are no limitations as to which broker-dealers are used or as to the commission rates or similar charges paid.

In selecting brokers, dealers and other counterparties or intermediaries (“Brokers”) to effect portfolio transactions, BAIA will seek to obtain the best execution for the BAIA Funds taking into account several factors, including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity, stability and reputation of the Broker; (iv) the quality, comprehensiveness and frequency of available research and brokerage related services and products (“Research Services”); (v) the broker’s willingness to commit capital; (vi) trading expertise; (vii) clearance, settlement and custodial services; (viii) other financial services offered; and (ix) the competitiveness of commission rates in comparison with other brokers satisfying other selection criteria of BAIA. BAIA is generally not required to weigh these factors equally. Subject to seeking best execution, BAIA may consider other factors.

Research and Other Soft Dollar Benefits

Research Services may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, and other products or services used by BAIA in the performance of its investment decision-making responsibilities.

BAIA presently does not utilize “soft dollars” (*i.e.*, consideration other than cash is exchanged for services) to pay for third-party brokerage services. Underlying Managers use “soft dollars” both within and outside of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended, to obtain both research and non-research products and services.

Brokerage for Client Referrals

BAIA does not use brokerage relationships for Investor referrals. BAIA does have distribution relationships and placement agreements, however, as described further in **Item 14 – Client Referrals and Other Compensation**.

Directed Brokerage

BAIA Funds will not compensate a broker-dealer for the promotion or sale of shares of a BAIA Fund by directing to the broker-dealer the BAIA Fund’s portfolio securities transactions or any remuneration.

Block Trading Procedures

In the event that securities, futures, forward, options, spot currency, or other transactions are traded for multiple BAIA Funds, generally trade orders would be aggregated, to the extent possible, for execution and allocated pro rata (subject to applicable law and to any approval delays or operational and / or investment limitations of particular participating BAIA Funds). In the unlikely instance where BAIA believes that the aggregation of trades for multiple BAIA

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Item 12 – Brokerage Practices

Funds would cause the BAIA Funds' cost of execution to be increased, BAIA will not aggregate such trades.

Principal Trading

BAIA does not engage in principal trading (*i.e.*, trading for BAIA's proprietary accounts).

Cross Transactions – Agency Cross Transactions

BAIA has engaged, and in the future may engage, in cross transactions in accordance with, the Client Constituent Documents and all applicable laws and regulations. As it has no affiliated broker-dealer engaged in the trading of securities, BAIA does not engage in agency cross transactions.

Investment Allocations

Certain investment opportunities may be appropriate for a BAIA Fund and one or more other entities and accounts managed by affiliates of BAIA within Blackstone (together, the "Other Blackstone Advisers and such entities and accounts, the "Other Blackstone Clients"). BAIA and the Other Blackstone Advisers will determine allocations of such investment opportunities as among the BAIA Fund and the Other Blackstone Clients in their sole discretion in accordance with their written allocation policies and procedures, taking into account various investment criteria, such as the expected performance of the investment, availability of cash, liquidity needs, investment objectives, risk parameters, general capacity, tax efficiency, investment limits, diversification guidelines, operational factors and legal and regulatory factors.

BAIA and the Other Blackstone Advisers are subject to actual and potential conflicts of interest in allocating investment opportunities among a BAIA Fund and Other Blackstone Clients. For example, the BAIA Funds and the Other Blackstone Clients may have different management and / or incentive fee structures. As part of the investment allocation process, BAIA and the Other Blackstone Advisers potentially could allocate a limited investment opportunity to a client that has a more favorable fee structure.

Furthermore, if a model, strategy, or risk management, optimisation, execution or other investment technique (an "Analytic") is appropriate for the BAIA Funds and one or more Other Blackstone Clients, BAIA's decision on how to allocate an Analytic among the BAIA Fund and other such clients may vary for one or more reasons. The BAIA Funds may not be allocated an Analytic allocated to other Blackstone Clients.

Blackstone-wide Policies, Procedures and Guidelines

Because Blackstone has many different asset management and advisory businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight, and additional legal and contractual restrictions than that to which it would otherwise be subject if it had only one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, Blackstone has implemented certain policies and procedures and information barriers that may reduce the positive synergies that the BAIA Funds could otherwise utilize for purposes of identifying attractive investments.

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Accordingly, certain information or investment opportunities which could be of benefit to the BAIA Funds might become restricted or otherwise unavailable to the BAIA Funds due to the activities of Blackstone's other asset management businesses. For example, BAIA generally will be restricted from investing in (i) Blackstone portfolio companies and (ii) issuers with respect to which any investment advisor in the Blackstone Hedge Fund Solutions group has received material non-public information (the "Restricted Issuers"). These restrictions generally will not, however, apply to Underlying Managers and, other than with respect to the Restricted Issuers, BAIA generally will be permitted to invest in issuers in which Other Blackstone Clients have an interest.

BAIA could be forced to sell or restricted from selling existing investments, or be precluded from making new investments, as a result of a relationship that Blackstone may have or investments Blackstone and its affiliates (including, without limitation Other Blackstone Clients) may make. Blackstone maintains information barriers that are designed to protect against the improper possession and / or use of material non-public information. Generally, no employee of BAIA may contact an employee of another Blackstone group outside of HFS, and vice versa, about a substantive business matter, without BAIA Compliance consent and, if appropriate, having BAIA Compliance chaperone such contact. Prior to receiving confidential information, each Blackstone group typically seeks to limit the impact that such receipt may have on other Blackstone groups by, among other things, limiting the applicability of any confidentiality agreement to the particular Blackstone group(s) that receives the confidential information.

With respect to BAIA's ability to allocate investment opportunities to BAIA Funds where such opportunities are within the common objectives and guidelines of one or more BAIA Funds and Other Blackstone Clients, Blackstone has established general guidelines for determining how such allocations are made, which, among other things, sets forth priorities and presumptions regarding allocation for certain types of investments and other matters. The application of those guidelines may result in BAIA Funds not participating (and / or not participating to the same extent) in certain investment opportunities in which it would have otherwise participated had the related allocations been determined without regard to such guidelines.

It also may be the case that allocations to the BAIA Funds will benefit from the relationship of Other Blackstone Clients and Blackstone with respect to the availability of a particular investment opportunity.

Trade Errors

Trade errors are evaluated on a case-by-case basis. In the case of a trade error committed by BAIA, if BAIA determines that BAIA's, gross negligence, willful misconduct or fraud was the direct cause of a trade error, BAIA will generally compensate the BAIA Funds for any losses resulting from such trade error. If a third party (including an Underlying Manager) causes a trade error that is material to the BAIA Funds, BAIA will attempt to recover the amount of loss from such third party for the BAIA Funds. BAIA does not assume responsibility for compensating the BAIA Funds, or making any third party compensate the BAIA Funds, in such cases. In the context of trade errors committed by an Underlying Manager, the specific terms of such Underlying Manager's agreement with BAIA will control. Further, BAIA's general trade error policy may differ from the policy specific to the public

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funds managed by BAIA. In such case, the policies of the relevant public fund will control. The policies of the public funds managed by BAIA are available upon request.

A trade error is generally defined as an error in the placement, execution, or settlement of a trade for a Client. Potential examples of trade errors could include (but are not necessarily limited to) the following:

- ▶ The placement of orders (either purchases or sales) in securities or other financial instruments at variance with the amounts/quantities that the Advisor intended to trade;
- ▶ the sale of a security or financial instrument when it should have been purchased;
- ▶ the purchase of a security or financial instrument when it should have been sold;
- ▶ the purchase or sale of the incorrect security or financial instrument;
- ▶ the purchase or sale of the correct security or financial instrument for the wrong client; and
- ▶ the purchase or sale of a security or financial instrument contrary to contractual client investment guidelines or restrictions.

Examples of circumstances that do not constitute trade errors include (but are not necessarily limited to) the following:

- ▶ An incorrect trade order that is identified and corrected prior to settlement, as long as there is no negative economic impact to the client;
- ▶ the error is the fault of an executing broker-dealer, custodian, or other counterparty (irrespective of whether the Advisor seeks compensation on behalf of the client from such parties);
- ▶ the purchase or sale of the security or financial instrument is reallocated to another client prior to settlement in accordance with the Advisor's allocation policies and procedures and the client's investment guidelines;
- ▶ the purchase or sale of the security or financial instrument violates restrictions arising from a contractual obligation to a third party other than the applicable client (e.g., a standstill agreement);
- ▶ incorrect over- or under-allocations of securities or financial instruments;
- ▶ an investment that does not perform favorably but otherwise complies with applicable contractual requirements;
- ▶ the error does not result in a transaction in a client account (such as an error that results in the loss of an investment opportunity);
- ▶ the governing documents of the applicable client expressly provide for the right of the Advisor to cure (e.g., annul the trade error), and the Advisor cures in accordance therewith;
- ▶ errors resulting from unavailability of (or disruptions in) electronic services or other force majeure events;

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- ▶ the applicable client ratifies the trade in writing; and
- ▶ good faith errors in judgment in making investment decisions for clients, which include errors in securities analysis and, for quantitative/systematic strategies, errors in writing computer code that relate to the process by which investment decisions are made for a client (e.g., errors that reflect subjective judgments or mistakes made at the time of programming, concern the process of constructing an investment strategy, and are not associated with nor result in a particular trade).

The trade error policy of a Registered Fund managed by BAIA may differ from the policy set forth above.

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Item 13 – Review of Accounts

The BAIA Investment Committee

The BAIA Investment Committee, which includes select BAIA Senior Managing Directors and Managing Directors, approves the hiring of Underlying Managers (subject in the case of the Registered U.S. Funds, to the supervision and approval by the Board of Trustees) to serve as investment sub-advisers to a BAIA Fund, investments in an Underlying Investment Vehicle, other direct investments, and hedging themes and parameters.

The Investment Committee makes its investment decisions based on a variety of criteria including, but not limited to:

- ▶ The Expected Performance of the Investment
- ▶ Reputation of the Principals of the Underlying Manager
- ▶ Availability of Cash
- ▶ Liquidity Needs
- ▶ BAIA Fund Investment Objectives
- ▶ BAIA Fund Risk Parameters
- ▶ General Capacity
- ▶ Fees
- ▶ Tax Efficiency
- ▶ Investment Limits
- ▶ Diversification Guidelines
- ▶ Operational Factors
- ▶ Legal and Regulatory Factors

The BAIA Investment Committee also reviews the information presented to assess that the allocations among BAIA Clients are in accordance with BAIA's allocation policies and procedures.

There is significant overlap among the members of the Hedge Fund Solutions Group's investment committees.

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Item 13 – Review of Accounts

Monitoring Process

The BAIA Investment Committee and the BAIA Investment Team monitor the performance of the BAIA Funds on an ongoing basis. This monitoring includes, but is not limited to, reviewing for:

- ▶ Potential Conflicts
- ▶ Market Conditions
- ▶ Adherence to Investment Guidelines
- ▶ Performance Attribution
- ▶ Performance Deviation

Fund Investor Reporting

BAIA generally provides Investors monthly reports regarding their investments, which include information regarding performance and exposure information. Investors also have access to semi-annual unaudited and annual audited financial statements for the BAIA Funds in which they are invested. In generating these reports, BAIA generally will rely, in part, on information provided by the Underlying Managers.

BAIA Operations Team Reconciliation

The BAIA Operations Team oversees reconciliations to monitor that fundings, redemptions, expense payments, and other cash movements are properly processed. The BAIA Operations Team also oversees daily reconciliations prepared by the administrators of investment activity to monitor that trade executions are properly processed.

Administrator Reconciliation

Each BAIA Fund's administrator performs a daily reconciliation of cash, investor activity, and investments as part of its independent determination of the net asset value for such BAIA Fund, and produces the final capital / shareholder statements.

Custodian Reconciliation

Each BAIA Fund's custodian reviews and reconciles the Fund's accounts on a daily basis.

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Item 14 – Client Referrals and Other Compensation

BAIA does not receive any economic benefit from non-clients for providing investment advice or other advisory services to the BAIA Funds.

In accordance with applicable law, BAIA and its affiliates compensate third parties for client referrals. For example, certain authorized financial intermediaries receive an ongoing fee from BAIA in regard to the assets placed by such intermediary for so long as those assets are invested in a BAIA Fund. In addition, certain BAIA Funds pay a distribution and / or service fee to certain authorized broker-dealers and financial intermediaries, as described in the applicable Client Constituent Documents. Such arrangements are structured in compliance with the 1940 Act and other applicable law.

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Item 15 – Custody

Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) defines custody as holding client securities or assets or having any authority to obtain possession of them. BAIA has access to Fund assets for trading purposes and to pay expenses and, therefore, is deemed to have custody for purposes of the Custody Rule. BAIA generally complies with the Custody Rule by providing all Investors with audited financial statements within 90 days of the Fund’s fiscal year end. The Custody Rule generally does not apply to U.S. Registered Funds.

BAIA maintains funds’ securities and other investments with a custodian bank that satisfies the requirements of applicable law.

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Item 16 – Investment Discretion

Investment Guidelines

Investment decisions are made within the investment guidelines as described in each Client Constituent Documents. BAIA, under the supervision of the Registered Funds’ Board of Trustees, has discretion in selecting the Underlying Managers and overseeing the investments made by the Underlying Managers, and determining other transactions in which the BAIA Funds may invest and the amount to invest.

Multiple BAIA Funds may invest in the same transactions. If two or more BAIA Funds wish to invest in the same transaction at the same time, BAIA will implement such decisions in a manner deemed to be fair and in accordance with BAIA’s allocation policies and procedures.

Types of Investments

BAIA has broad discretion to make investments within the guidelines of the Client Constituent Documents. Through Underlying Managers or direct investing, BAIA Funds will generally invest in a broad range of instruments, markets and asset classes economically tied to U.S. and foreign markets. Investments include, but not limited to equity securities, fixed income securities, derivative instruments and commodity instruments.

BAIA Funds occasionally participate in the purchase and sale of initial equity public offerings (“New Issues”) as long as such New Issues do not involve affiliates of Blackstone. For certain BAIA Funds, BAIA will confirm an Investor’s eligibility to participate in new issues through a negative confirmation process by sending a letter via electronic communication or hard copy and asking for a response only if the Investor’s eligibility status has changed.

From time to time BAIA Funds may acquire or hold, directly or indirectly, assets or securities that are illiquid, including for example, where an Underlying Manager determines to “side pocket” all or a portion of an investment. Underlying Investment Vehicles may themselves be illiquid investments.

Please refer to the relevant Client Constituent Documents for a more detailed discussion of investment guidelines and types of investment.

Blackstone Alternative Investment Advisors LLC

Item 17 – Voting Client Securities (*i.e.*, Proxy Voting)

With respect to the Registered Funds, the Board of Trustees and / or Board of Directors of such funds has adopted proxy voting policies and procedures (the "Proxy Policy"), which delegate the responsibility of voting proxy proposals, amendments, consents or resolutions (collectively, "proxies") to Institutional Shareholder Services Inc. ("ISS"), subject to the board continuing oversight. The Proxy Policy requires that ISS vote proxies in accordance with ISS's policies and procedures, which have been reviewed by the board, and which are included in the Client Constituent Documents (where required). Investors cannot direct BAIA's vote with respect to a particular proxy solicitation. The Board of Trustees and / or Board of Directors have also delegated authority to ISS to represent the Registered Funds with respect to securities class action lawsuits.

BAIA intends to make the Registered U.S. Funds purchase non-voting securities of, or contractually limit the right to vote in respect of, certain Underlying Investment Vehicles in order to prevent such Registered U.S. Funds from becoming "affiliated persons" of such Underlying Investment Vehicles for purposes of the 1940 Act and becoming subject to the prohibitions on transactions with affiliated persons contained in the 1940 Act. Consequently, the Registered U.S. Funds may not be able to vote to the full extent of their economic interest on matters that require approval of investors in such Underlying Investment Vehicles.

Investors may request a copy of the Proxy Policy and the proxy voting records by contacting BAIA at the address, telephone number or e-mail on the cover of this Brochure.

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Item 18 – Financial Information

BAIA does not charge or solicit prepayment of \$1,200 or more in fees per client six or more months in advance.

As of the date of this Brochure, BAIA is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the BAIA Funds.

Blackstone Alternative Investment Advisors LLC
Item 19 – Requirements for State Registered Advisers

This item is not applicable as BAIA is not registered in any states.